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# Corporate Team Training : A More Rational Organizational Development Method

## La formation au travail d'équipe inter-entreprise

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### Résumé de l'article

Le but de cet article est d'élaborer une solution aux problèmes soulevés par l'incapacité des organisations de prendre des bonnes décisions au moment où il le faut, et ce dans un environnement très complexe. Pour illustrer ce point, citons le cas de l'augmentation du taux de faillite de plus de 70% entre 1969 et 1970 parmi les entreprises dont le chiffre d'affaire dépasse le million. Suite à l'hypothèse qu'un tel problème résulte d'un développement inadéquat de l'individu ou de l'organisation, l'auteur examine les méthodes actuelles de développement surtout en ce qu'elles ont de commun, i.e. leur concentration sur l'individu. On reconnaît que l'individu est la pierre angulaire de toute organisation. Cependant son rendement à l'intérieur de l'équipe que forme l'organisation est plus importante que son rendement individuel.

Comme solution à ce problème, une méthode de formation en équipe analogue à celle utilisée par l'armée, la marine et l'aviation américaine est étudiée. Cette méthode peut former des individus compétents à l'esprit créateur à l'intérieur d'une organisation efficace et responsable qui ne faussera pas la croissance individuelle par sa bureaucratie.

En pratique, on peut mettre ce principe en application en utilisant, par exemple, une méthode de jeux et de simulation par ordinateur.

De nombreuses méthodes d'application et les systèmes diversifiés d'ordinateurs rendent facilement possible l'accès de ce principe à toutes les organisations.

# Corporate Team Training: A More Rational Organizational Development Method

Craig L. Thrasher

*Problems of the increasing rates of failure of modern business organizations are examined, with particular emphasis given to firms in the « million dollar plus » category. On the hypothesis that this problem has evolved from an increasing inability of organizational members to make immediate and accurate decisions, various individual and organizational development methods are examined. A common failing of all of these methods is their inability to train individuals in team behavior — the essence of the business environment. A method of « Team Training » is described that should serve to close the gap between development of competent individuals and the growth of the responsive and successful business organization.*

## INTRODUCTION

In the early part of this century the objects of management were relatively simple and lended themselves well to the autocratic control by the « boss », and his suggestions, instructions, and orders. The evolution of organizations from simple structure to the overwhelmingly complex systems of today occurred in so short a period of time that the attempted simultaneous evolution of the management systems for these organizations has lagged. The leader was replaced by the executive committee and its policy statements.

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For the past few years, gradually increasing in importance, the conceptualization of the « ideal » manager as one who possesses extensive formal or informal expertise in the management sciences, human resource allocation and has strong confidence in management information systems and electronic data processing has evolved, until today its prevails.

Yet, for all the increased capability in this complex environment there has been little, if any, improvement in the success rate of new enterprises.<sup>1</sup> In point of fact, business failure has increased from 1968 to 1970, over 11.5% with dollar liabilities in excess of \$1,885,000,000, an increase of 89.7% over 1968!<sup>2</sup> It must also be noted that in no way are the ownership, changes, mergers, or management turnovers, all short of complete failure, represented.

A curious point in all these facts is the occurrence of failures in the million dollar + category. In 1969, approximately 150 firms of this size went bankrupt versus, 1970, over 260 firms or an increase of over 70%.<sup>3</sup>

Admittedly, a large portion of this increase might be attributed to the general slump in the economy.<sup>4</sup> Yet even with this allowance, failure rate among large corporations appears to be increasing.

The present economy is the most diverse and highly competitive environment that man has ever seen. Within it each company faces many crucial and potentially fatal decisions during a normal business period. This situation necessitates that management accept at every level the authority for making appropriate decisions and assume the responsibility and accept accountability for the outcomes. In short, firms must design improved ways of nurturing the growth of leaders within their management staff since denial of their talents and qualities of command and leadership may prove fatal to the over the long range.

How does the growing firm develop future managers who are the embodiment of these important characteristics? In recent years, such methods as T-groups, sensitivity training, theories x, y, z, and managerial grid concepts, etc., have attempted to provide the budding manager with a platform upon which he was to build the expertise in handling people and problems. The individual learns the concepts and precepts of human behavior in singular and plural situations. The subject matter might vary

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<sup>1</sup> *Statistical Abstract of the United States*, Table 712, page 499.

<sup>2</sup> *Dun and Bradstreet*, 1971.

<sup>3</sup> *Dun and Bradstreet*, 1971.

<sup>4</sup> *Dun and Bradstreet*, 1971.

depending upon the approach but always it focuses on the individual manager-student. Since modern business time began, there have been innumerable attempts to provide both external and internal programs to accomplish this task.

As firms gain prosperity through hard work and long hours, (or as a result of mere existence in prosperous times), they can afford to explore advanced methods of organizational development through expensive investments in out-of-house training or the more economical route of in-house programs. However, as the economy dips downward and loose monies disappear, participation in these long ranged and vague-value activities become subordinated to the firm's efforts to simply stay in the black. Unnecessary consultants are not hired, training managers are fired or shifted into immediate profit centers and, for the most part, long ranged organizational development ceases. As the economy bottoms and commences, its upward swing managers gain confidence in the firms ability to stay alive and begin to think once more about the future and organizational development. They become concerned once more about the growth of the management platform. All too often this concern manifests itself in a search for new programs, consultants, or plans and the cycle begins again.

It might be wise for each firm, as it faces the upward sloping portion of the cycle to first ask itself some simple questions, « Where do we hurt ? » ; and « Will new O.D. methods ease the pain ? ». Perhaps in trying in our own way to answer this question for them, we should re-examine organizational development heretofore laced with individual approaches and interject the idea of « teamwork ». After all, few well managed firms are the direct result of one man, rather leadership, commitment, and action at all levels . . . a team effort.

## THE PROBLEM

The fledgling manager who enters the world of business often asks why he is immediately beaten down by the organizations that are more concerned with maintaining the calm seas of mental doldrums than with seeking the rougher yet more rewarding environment that creativity and competition afford. He is an individual but he must conform.

George Strauss suggests three types of conformity.<sup>5</sup> The first is to accept standards held by a majority of our peers ; the second is con-

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<sup>5</sup> STRAUSS, G., *Readings in Organizational Theory-A Behavioral Approach*, Hill and Egan, Boston, Allyn and Bacon, Inc., 1966, pp. 569-686.

formity to organization loyalty or to organization goals ; and the third is to conform to the values of the middle class. Whyte makes reference to the new role of conformity where once stood ruthless and efficient leadership in the business world.

Asch examined the decision making process in group situations and the effect of conformity pressures upon ultimate decisions,<sup>6</sup> and Brown has hypothesized that the mean of the group decision is considerably dependent on the emergence of influential members<sup>7</sup>.

Leavitt and Whisler predict a waning of the significance of the organization conformist ; that depersonalization, resulting from the computer age, will invalidate unwritten doctrines of « getting along » within the structure of the organization<sup>8</sup>. Yet, the very nature of computerization dictates that sameness and lack of individuality will replace whatever nonconformists remain within the world's organizations. This age is merely reinforcing the sameness syndrome.

Sameness is becoming an important personal objective in our organizational-oriented society — a society that seems more concerned with short term efficiency than with long term growth, creativity, or success. Individual growth gets retarded because individual initiative and productivity often are regarded as irritants and « fitting in » is not wholly compatible with the concept of individual initiative.

Our young friend must survive. He will tend to move into groups which, in his judgement, hold opinions in agreement with his own, whose abilities are similar to his own, and affiliate with groups holding sufficient clout to ensure his success (or survival) within the organization.

If, in doing this, the fledgling manager trades off some of his individual goals (as he must) such treatments as sensitivity training educational measures such as the managerial grid will fall short easing the corporate pain.<sup>9</sup>

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<sup>6</sup> ASCH, S. E., « Studies of Independence and Conformity-A Minority of One Against a Unanimous Majority », *Psychology Monograph*, 1956, 70, No. 9 (Whole No. 416).

<sup>7</sup> BROWN, R., *Social Psychology*, New York, Free Press, 1956, p. 682.

<sup>8</sup> LEAVITT, H. J., and WHISLER, T. L., « Management in the 1980's », *Harvard Business Review*, Vol. 36, #6, 1958, page 46.

<sup>9</sup> DROTNING, J. E. « Sensitivity Training Doesn't Work Magic », *Management of Personnel Quarterly*, Summer, 1968, page 17.

placed into the structure it assumes the shape required by the surrounding

Each position in the organization structure of a firm could be viewed as analogous to a small sponge in a large pile of sponges. When it is first pressures of the environment. This is a matter of existence and analogous to the sameness syndrome. If the sponge is left in this new shape under pressure for a period of time, evaporation leaves it hard and rigid. Hence, the pile of sponges (or organization) cannot hope to receive increasing productivity or support from this member unless special catalyst, in this case water, is applied to restore the inherent characteristics. The author concedes that a foundation of dry hard sponges is more capable of holding sheer mass than would be flexible sponges. But, to carry this analogy a bit further, absolute strength is not the only characteristic desirable in organizations ; flexibility, and resilience in extension or compression are important in an environment as dependent upon change as our economy is. The evaporation of initiative, productivity, and, above all, leadership qualities from the organization structure is probably the singularly most important reason for the atrophy of the lines of responsibility and responsible decision-making. This is not to say that committees are not capable or do not provide a good psychological environment for decision making. The value of group decisions and group norms must not be ignored but neither must they be unequivocally accepted as purveyors of the absolute truth and deliverers of profit.

We cannot deny the validity of achieving expertise through specialization. However, decision-making and expertise are not necessarily partners. Given the emergence of a risk-taking leader, the supportive positions must provide the decision maker with accurate and usable information. What is desired is a firmly rooted committed group of executives, middle management, and employees who are capable of providing this information and, at the same time, retaining the individual resilience necessary for the growth of new leadership over time.

The challenge is to achieve organization structures that not only incorporate the advantages of committee abilities and decision making, but, also, encourages competent individuals to strive for a position of leadership. They must make that totally individual decision to accept the responsibility to command an organization.

#### **A POSSIBLE SOLUTION**

It is not necessary that such a manager possess the specialized skills of an operations analyst or a computer programmer. He must have an

understanding of their worth to his business to be sure ; but he must be able to mold his specialists into a competent and sensitive organization which is capable of coping with changes in the business environment. What is proposed herein is not a new concept ; not a consulting gambit nor academic ruse ; it is simply a different perception of how the organization may be molded into a more efficient and more profitable problem solving team.

How then can the education process be enhanced so as to provide the most beneficial environment for growth and development of the young management trainee ? The complex military establishment, as well as the coaches of competitive athletic organizations, emphasize the importance of not the individual, but team training. There is great value in the application of this concept to business management problems. Where previously trainees were schooled either in informal existence or formal department oriented education, the executive spends the first productive years of his existence in the firm in learning the importance of his job and his department to the firm's overall goals. This leads to a myopia at higher levels of management that frequently causes friction, lack of interdepartmental communication, and the eventual subverting of the firm's goals. Even training programs stressing familiarization with all departments of a firm are still only providing a cursory glance at the operations and not real management training.

The team training concept is relatively easy to implement, in-house or in a consortium with other firms of differing ilk. As a beginning, teams of four to five management trainees might be provided by each of nine to ten firms within approximately the same industry classification. Some care should be taken to insure that each team member is from a different discipline, i.e., marketing, production, accounting, etc.

The trainees should spend some time in preparation to include basic computer operation, brief overviews of the Management Decision Making Game that is to be used, and a general review of the recent advances in general business techniques. This period will require concerted outside preparation to be of optimum value.

Basically, the « game » should consist of ten business periods for which the participants will be required to provide inputs such as new prices, wage changes, and variations in production, investments, financing, etc.

The inputs will be treated with those of other teams to yield and output for each « firm » giving sales, cash flow analysis, and general firm. From this information the inputs for the succeeding period will be generated by the students and the game will proceed thusly.

Periodically, labor problems, federal monetary policy changes and other relevant problem areas might be interjected into the scheme to maintain instability and reality of environment as well as student interest. The ultimate solutions to these problems will determine the success or failure of the « firms » as reported by the game program.

Many such computer games are available under varying parameters of input/output, number of products, etc., to enable the game to be tailored to the level of competence of the participants.

But how may this method strengthen the firm ? Firstly, men committed to a department discipline will work in an informal competitive situation with his contemporaries, building friendships, alliances and a measure of confidence and understanding of other departments.

The program, if continued, will gradually strengthen the structure of organization by having achieved cross training of several generations of management. Not only will decision-making be improved at the committee level but individual cognizance of the human aspects outside of the department will enhance intradepartment effectiveness and interdepartmental relations . . . and provide from series of decisions leading to policies that are not dysfunctional but dedicated to organizational strength.

Consider, now, an executive who has participated in the concept of corporate team training. He has learned to integrate all inputs in problem solution ; to establish acquaintances and friendships in other departments, and to free up communications using these relationships. The sense of fraternity evolving from the team's competition with the teams of other firms should carry over extensively into the firm.

In short, the trainee learns to work with members of other departments in a competitive situation and, hopefully, seeing the merits of the concept in the classroom, endeavors to construct the same environment in his firm.

People trained as members of a team more effectively resist on-the-job regressive pressures by reinforcing one another in post-training activities and the learning process continues as each interaction occurs.



## CONCLUSION

Team training might be construed to be another false cure for the ills of a firm. Yet, it appears to be the simplest and most rewarding interaction potential managers might experience. Through low pressure, interest holding game playing buttressed by the competitive environment of the game it is felt the team and the individual will develop the most important prerequisite for success in a hostile environment... the spirit to win through team efforts.

## UNE MÉTHODE RATIONNELLE DE FORMATION POUR LA DIRECTION COLLÉGIALE

Le but de cet article est d'élaborer une solution aux problèmes soulevés par l'incapacité des organisations de prendre des bonnes décisions au moment où il le faut, et ce dans un environnement très complexe. Pour illustrer ce point, citons le cas de l'augmentation du taux de faillite de plus de 70% entre 1969 et 1970 parmi les entreprises dont le chiffre d'affaire dépasse le million. Suite à l'hypothèse qu'un tel problème résulte d'un développement inadéquat de l'individu ou de l'organisation, l'auteur examine les méthodes actuelles de développement surtout en ce qu'elles ont de commun, i.e. leur concentration sur l'individu. On reconnaît que l'individu est la pierre angulaire de toute organisation. Cependant son rendement à l'intérieur de l'équipe que forme l'organisation est plus importante que son rendement individuel.

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